

# IX. Cash Balance Benefit Program

## CalSTRS Cash Balance Benefit Program Available To Part-time Educators

CalSTRS has designed a program specifically for part-time educators. Your eligibility is determined by your basis of employment, rather than actual hours you work. If you are hired to work a contract less than 50 percent or on an hourly or daily basis without a contract for K-12, Adult Education, Regional Occupational Program or at one or more community colleges, the CalSTRS Cash Balance Benefit Program gives you an opportunity to save retirement dollars for the long term.

Features of the CB Benefit Program include:

- **immediate vesting**  
You do not have to wait to accumulate years of service credit to become eligible for benefits.
- **variable contribution rates can be bargained**  
Your employer must contribute at least 4 percent of your salary and, generally, you also pay 4 percent. However, alternative rates may be bargained by each employer. You receive all contributions—both yours and your employer's—and interest, if you terminate public school employment.
- **secure investments**  
The CB Benefit Program investment portfolio is managed by CalSTRS investment professionals, who have a long and successful record of achievement.
- **guaranteed interest rate**  
The interest rate is set by the Teachers' Retirement Board for each plan year based on the 30-year Treasury rate. Effective for 2002-03, the rate is 5.5 percent.

- **additional earnings credit**

The Teachers' Retirement Board may, on an annual basis, grant an additional earnings credit to be added to participant accounts.

- **portability to meet the needs of a part-time educator**

In most cases, you can continue participation in the CB Benefit Program if you move to another employer that offers the program. If you become a member of the Defined Benefit Program and are no longer contributing to the CB Benefit Program, you may elect to receive credit in the DB Program for your CB service.

- **options if you leave public school employment**

If you leave public school employment entirely, you have three options: leave the contributions on deposit in your account; roll over your CB Benefit Program funds to another eligible retirement plan or an IRA; or you can withdraw all contributions, including employer contributions, plus interest, subject to a one-year waiting period following the date of service termination.

- **flexibility at retirement**

You can take your contributions, your employer's contributions, plus compounded interest in a lump sum. You can instead choose an annuity to provide monthly retirement benefits if your balance is at least \$3,500.

- **no fees or charges for participation**

- **all employee contributions are pre-tax dollars**

- **available by payroll deduction**

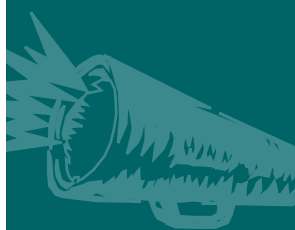
### Are You Eligible to Participate?

When you are hired by a K-12 district, county office of education or a community college district, your employer is required to notify you that you can elect membership in the CalSTRS Defined Benefit Program, even though you are a part-time employee. You have the option to decide on participating in the CB Benefit Program, electing DB Program membership or an alternative plan your employer may offer. If you choose CB Benefit Program participation and your basis of employment is changed to half-time or more, you will automatically become a member of the CalSTRS DB Program.



## SECTION IX

### CASH BALANCE BENEFIT PROGRAM





## SECTION IX



### CASH BALANCE BENEFIT PROGRAM

However, as long as your basis of employment or contract remains less than half time, you have the *choice* of participating either in the CalSTRS CB Benefit Program or the CalSTRS Defined Benefit Program in a district that offers the CB Benefit Program.

#### Work for Multiple Employers?

You can contribute to the CB Benefit Program at one or more participating school districts or community colleges if your basis of employment is less than half time for each position at each school or college district.

#### Participating School Districts Can Offer CB Benefit Program

School districts and community colleges can offer their part-time employees the CB Benefit Program. Offering the CB Benefit Program may be bargained, as some districts are doing currently. Contact your district(s) or county superintendent of schools or union representative to determine if the CB Benefit Program is available.



#### For More Information About the CalSTRS CB Benefit Program

For detailed information about the CalSTRS CB Benefit Program, call CalSTRS Teletalk at 800-228-5453 or visit the CalSTRS Web site at [www.calstrs.ca.gov](http://www.calstrs.ca.gov). You may e-mail questions to [cashbal@calstrs.ca.gov](mailto:cashbal@calstrs.ca.gov).